

REMARKS

In light of the above amendments and remarks to follow, reconsideration and allowance of this application are respectfully requested.

Claims 1-7, 9-23, 35-37, 39-41, 48-52, 55-57, 59-61, 64-65, 80-81, 84-85, 87-89, and 92-93 are pending in this application.

Claims 1-7, 9-23, 35-37, 39-41, 48-52, 55-57, 59-61, 64-65, 80-81, 84-85, 87-89, and 92-93 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Kuroda et al. (U.S. Patent 6,707,774) in view of Chung et al. (U.S. Patent 6,621,933). However, the present invention is directed to the playback or recording of "data read from the recording medium not containing electronic watermark information." (Claims 1, 35, 48, and 80). Hence, the present claims require that the data, as read from the recording medium, does not already contain a watermark. This aspect is significant in that the data quality is degraded once a watermark has been added. This requirement gives meaning to the present invention's "preventing said electronic watermark information from being embedded in the decoded data ... thereby preventing degradation of the data for playback." (Claims 1, 35, 48, and 80) If the data previously contained a watermark then it has already been degraded and removing the watermark does not restore the degraded data.

The Examiner asserts "Chung discloses a digital watermark remover which removes the watermark information if it is embedded in digital video (column 9, lines 34-37)" (Office Action page 3) However, removing an existing watermark is not the same as preventing a watermark from being embedded because an existing watermark has already degraded the data. The present claims require "preventing degradation of the data for

playback." (Claims 1, 35, 48, and 80) Chung cannot prevent degradation as required by the present claims because the data has already been degraded and simply removing the watermark cannot completely restore the degraded data. For at least this reason, Kuroda and Chung fail to meet this "preventing degradation" limitation and the rejected claims should now be allowed.

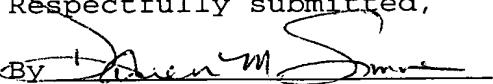
As it is believed that all of the rejections set forth in the Official Action have been fully met, favorable reconsideration and allowance are earnestly solicited.

If, however, for any reason the Examiner does not believe that such action can be taken at this time, it is respectfully requested that he/she telephone applicant's attorney at (908) 654-5000 in order to overcome any additional objections which he might have.

If there are any additional charges in connection with this requested amendment, the Examiner is authorized to charge Deposit Account No. 12-1095.

Dated: August 14, 2006

Respectfully submitted,

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